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Message Text

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21
ORIGIN EB-07

INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

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TO AMEMBASSY ALGIERS
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AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY TEHRAN
AMEMBASSY TRIPOLI
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SUBJECT: LEVEL OF CONTRIBUTIONS TO THE INTERNATIONAL
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FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

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1. NOW THAT THE NEGOTIATIONS ON THE DRAFT ARTICLES OF AGREEMENT FOR IFAD HAVE BEEN CONCLUDED, THE SOLE REMAINING OBSTACLE TO A SUCCESSFUL PLENIPOTENTIARY CONFERENCE IS THE LACK OF PLEDGES FROM A NUMBER OF PROSPECTIVE DONOR COUNTRIES. ACCORDING TO THE REPORT OF THE LAST IFAD MEETING, GOVERNMENTS HAVE UNTIL APRIL 15 OR QTE. AS SOON AS PRACTICABLE THEREAFTER BEFORE THE PLENIPOTENTIARY CONFERENCE UNQTE. TO SUBMIT PLEDGES IN WRITING TO THE UN SECRETARY GENERAL.

2. AS NOW DRAFTED, THE ARTICLES PROVIDE THAT THE AGREEMENT WILL NOT BE OPEN FOR SIGNATURE UNTIL FIRM PLEDGES TOTAL AT LEAST DOLS. 1 BILLION. WE AND CERTAIN OTHER PROSPECTIVE DEVELOPED COUNTRY DONOR GOVERNMENTS FEEL STRONGLY ABOUT THE IMPORTANCE OF THIS PROVISION IN THE AGREEMENT AND WOULD RESIST ANY ATTEMPT TO LOWER THE AMOUNT SO THAT IFAD COULD BE ESTABLISHED WITH A SMALLER TOTAL LEVEL OF CONTRIBUTIONS. INDEED OUR PLEDGE OF DOLS. 200 MILLION IS CONTINGENT ON A TOTAL LEVEL OF CONTRIBUTIONS OF AT LEAST DOLS. 1 BILLION.

3. IN OUR VIEW, THE BACKGROUND OF IFAD, THE ARTICLES OF AGREEMENT THEMSELVES AND THE REPORT OF INTERESTED GOVERNMENTS ESTABLISH A CLEAR PRESUMPTION THAT THE TOTAL LEVEL OF CONTRIBUTIONS FROM CATEGORIES I (DEVELOPED COUNTRY DONORS) AND II (DEVELOPING COUNTRY DONORS, I.E. OPEC COUNTRIES) WILL BE EQUIVALENT. IFAD WAS ORIGINALLY AN INITIATIVE OF THE OPEC COUNTRIES. THE ARTICLES OF AGREEMENT PROVIDE THAT CATEGORIES I AND II WILL EACH HAVE ONE-THIRD OF THE TOTAL VOTES ON BOTH THE GOVERNING COUNCIL AND THE EXECUTIVE BOARD. THIS FEATURE CLEARLY POINTS TO EQUAL CONTRIBUTIONS FROM EACH GROUP. FURTHER, THE REPORT OF INTERESTED GOVERNMENTS INCLUDED A STATEMENT WHICH WE INTERPRET AS AT LEAST TACIT RECOGNITION BY THE OPEC COUNTRIES OF THEIR POLITICAL RESPONSIBILITIES TO PROVIDE APPROXIMATELY ONE-HALF OF THE FUNDS FOR IFAD. FOR OUR PART, THE AUTHORIZING LEGISLATION REQUIRES
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ROUGHLY EQUIVALENT CONTRIBUTIONS FROM CATEGORIES I AND II AND A NUMBER OF PART I DONORS FEEL EQUALLY STRONGLY ABOUT THIS ISSUE.

4. GIVEN THE ABOVE CONDITIONS, IT APPEARS CLEAR THAT OPEC COUNTRIES WILL NEED TO MAKE PLEDGES TO IFAD TOTALLING ROUGHLY DOLS. 500 MILLION BY APRIL 15 OR SO IF THERE IS TO BE A SUCCESSFUL PLENIPOTENTIARY CONFERENCE IN MAY.

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ANY LEVEL OF PLEDGES LESS THAN DOLS. 500 MILLION WOULD
FORCE AN EQUIVALENT REDUCTION ON THE PART OF CATEGORY I
DONORS.

5. THE OPEC COUNTRIES HAVE INDICATED THAT THE NEW OPEC
AID FUND WOULD PROBABLY BE THE VEHICLE FOR THEIR
CONTRIBUITONS TO IFAD. THERE IS SOME QUESTION IN OUR
MINDS HOWEVER AS TO WHETHER THE DIRECTORS OF THE FUND
WOULD BE PREPARED TO CHANNEL DOLS. 500 MILLION OUT OF THE
TOTAL OF DOLS. 800 MILLION AVAILABLE IN 1976 TO IFAD.
IT IS OUR STRONG FEELING THAT WERE THE DIRECTORS OF THE
OPEC FUND TO APPORTION ONLY, SAY, DOLS. 400 MILLION TO
IFAD, THAT INDIVIDUAL OPEC COUNTRIES WOULD STILL HAVE THE
RESPONSIBILITY FOR CONTRIBUTING DIRECTLY THE REMAINING
DOLS. 100 MILLION NEEDED TO REACH THE DOLS. 500 MILLION
TOTAL. PREVIOUS INDICATIONS OF THE LEVEL OF
CONTRIBUTIONS FROM INDIVIDUAL OPEC MEMBERS WOULD TEND TO
SUPPORT THIS POSITION. IN THE CASE OF SAUDI ARABIA, FOR
EXAMPLE, THE GENERAL ASSUMPTION WAS THAT IT WOULD
CONTRIBUTE AT LEAST DOLS. 150 MILLION TO IFAD. ASSUMING
AN OPEC FUND CONTRIBUTION TO IFAD OF DOLS. 400 MILLION
OUT OF A DOLS. 800 MILLION TOTAL IN THE FUND, SAUDI
ARABIA'S SHARE WOULD BE ONLY HALF OF ITS CONTRIBUTION TO

TO THE OPEC FUND (NOW ESTIMATED AT DOLS. 152 MILLION) THUS
LEAVING AMPLE ROOM FOR AN ADDITIONAL CONTRIBUTION TO IFAD.
IN THE CASE OF IRAN, WE UNDERSTAND THAT THE GOI BUDGET
CONTAINS AN ALLOCATION OF DOLS. 20 MILLION FOR IFAD
APART FROM THE OPEC FUND AND IT WOULD BE REASONABLE TO
EXPECT THAT THIS MONEY WOULD BE CONTRIBUTED INDEPENDENTLY.
SIMILARLY, THE RESPECTIVE SHARES OF A DOLS. 400 MILLION
OPEC FUND CONTRIBUTION WHICH COULD BE ATTRIBUTED TO
KUWAIT, THE UAR, QATAR, AND PERHAPS VENEZUELA ARE
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SMALLER THAN THE CONTRIBUTIONS TO IFAD WHICH HAD EARLIER
BEEN EXPECTED FROM THESE COUNTRIES.

6. POSTS MAY DRAW ON THE ABOVE INFORMATION IN DISCUSSING
THE ISSUE OF CONTRIBUTIONS TO IFAD. WE WOULD APPRECIATE
ANY INFORMATION ACTION ADDRESSEES MAY OBTAIN ABOUT THE
LEVEL OF INTENDED HOST GOVERNMENT CONTRIBUTIONS TO IFAD
AS WELL AS THE PROSPECTS OF EARLY RATIFICATION OF THE
OPEC SPECIAL FUND.

7. FYI. THE OPEC COUNTRIES WILL PROBABLY RESIST THE
CONCEPT THAT THEY SHOULD CONTRIBUTE AS MUCH TO IFAD AS
THE DEVELOPED COUNTRY DONORS. NEVERTHELESS WE CONSIDER
THIS CONCEPT AN ESSENTIAL FEATURE OF IFAD. THE
STATEMENT IN THE LAST REPORT OF INTERESTED GOVERNMENTS

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REFERRED TO IN PARAGRAPH 3 ABOVE IS AS FOLLOWS: QUOTE
IT IS THE UNDERSTANDING OF CATEGORIES I AND II, THAT,
CONSISTENT WITH THE BACKGROUND AND UNDERLYING STRUCTURE
OF IFAD, THE TOTAL AMOUNT OF CONTRIBUTIONS BY COUNTRIES
MEMBERS OF CATEGORY II WILL BE AS CLOSE AS POSSIBLE TO
THE TOTAL AMOUNT OF CONTRIBUTIONS BY COUNTRIES MEMBERS
OF CATEGORY I, IN ORDER TO ENABLE THE FUND TO START
OPERATIONS IN THE MAGNITUDE ENVISAGED BY INTERESTED
COUNTRIES. IT IS FURTHER RECOGNIZED BY CATEGORIES I AND
II THAT THE LEVEL OF THE CONTRIBUTION OF EACH WILL, IN
THIS MANNER BE RELATED TO THE CONTRIBUTIONS FROM THE
OTHER GROUP. UNQUOTE. END FYI. INGERSOLL

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